

**AMENDMENT TO H.R. 4205, AS REPORTED
OFFERED BY MR. TAYLOR OF MISSISSIPPI**

Amend section 725 (page 231, line 3, and all that
follows through page 232, line 21) to read as follows:

1 **SEC. 725. MEDICARE SUBVENTION PROJECT FOR MILITARY**
2 **RETIREES AND DEPENDENTS.**

3 (a) FUTURE REPEAL OF LIMITATION ON NUMBER OF
4 SITES.—Effective January 1, 2001, paragraph (2) of sec-
5 tion 1896(b) of the Social Security Act (42 U.S.C.
6 1395ggg(b)) is amended to read as follows:

7 “(2) LOCATION OF SITES; FACILITIES.—Subject
8 to annual appropriations, the program shall be con-
9 ducted in any site that provides a full range of com-
10 prehensive health care and that is designated jointly
11 by the administering Secretaries. The program shall
12 be conducted nationwide by January 1, 2006.”.

13 (b) AUTHORITY TO MODIFY AGREEMENT.—Such sec-
14 tion is further amended in paragraph (1)(A) by inserting
15 “, which may be modified if necessary” before the closing
16 parenthesis.

17 (c) MAKING PROJECT PERMANENT; CHANGES IN
18 PROJECT REFERENCES.—

19 (1) ELIMINATION OF TIME LIMITATION.—Para-
20 graph (4) of section 1896(b) of such Act is repealed.

1 (2) TREATMENT OF CAPS.—Subsection (i)(4) of
2 section 1896 of such Act is amended by adding at
3 the end the following:

4 “This paragraph shall not apply after calendar year
5 2001.”.

6 (3) CONFORMING CHANGES OF REFERENCES TO
7 DEMONSTRATION PROJECT.—Section 1896 of such
8 Act is further amended—

9 (A) in the heading, by striking “DEM-
10 ONSTRATION PROJECT” and inserting “PRO-
11 GRAM”;

12 (B) by amending subsection (a)(2) to read
13 as follows:

14 “(2) PROGRAM.—The term ‘program’ means
15 the program carried out under this section.”;

16 (C) in the heading to subsection (b), by
17 striking “DEMONSTRATION PROJECT” and in-
18 serting “PROGRAM”;

19 (D) by striking “demonstration project” or
20 “project” each place either appears and insert-
21 ing “program”;

22 (E) in subsection (k)(2)—

23 (i) by striking “EXTENSION AND EX-
24 PANSION OF DEMONSTRATION PROJECT”
25 and inserting “PROGRAM”; and

1 (ii) by striking subparagraphs (A)
2 through (C) and inserting the following:

3 “(A) whether there is a cost to the health
4 care program under this title in conducting the
5 program under this section; and

6 “(B) whether the terms and conditions of
7 the program should be modified.”.

8 (4) REPORTS.—Subsection (k)(1) of such sec-
9 tion 1896 is amended in the second sentence—

10 (A) by striking “the demonstration
11 project” and inserting “the program”;

12 (B) by striking “, and the” and all that
13 follows through “date”;

14 (C) by redesignating subparagraph (O) as
15 subparagraph (S); and

16 (D) by inserting after subparagraph (N)
17 the following new subparagraphs:

18 “(O) Patient satisfaction with the pro-
19 gram.

20 “(P) The ability of the Department of De-
21 fense to operate an effective and efficient man-
22 aged care system for medicare beneficiaries.

23 “(Q) The ability of the Department of De-
24 fense to meet the managed care access and
25 quality of care standards under medicare.

1 “(R) The adequacy of the data systems of
2 the Department of Defense for providing time-
3 ly, necessary, and accurate information required
4 to properly manage the program.”.

5 (5) ADDITIONAL CONFORMING AMENDMENTS.—

6 Section 1896(b) of such Act is further amended—

7 (A) by redesignating paragraph (5) as
8 paragraph (4); and

9 (B) in such paragraph, by striking “At
10 least 60 days” and all that follows through
11 “agreement” and inserting “The administering
12 Secretaries shall also submit on an annual basis
13 the most current agreement”.

14 (6) CONTINUATION OF PROVISION OF CARE.—

15 Section 1896(b) of such Act is further amended by
16 adding at the end the following new paragraph:

17 “(5) CONTINUATION OF PROVISION OF CARE.—

18 With respect to any individual who receives health
19 care benefits under this section before the date of
20 the enactment of this paragraph, the administering
21 Secretaries shall not terminate such benefits unless
22 the individual ceases to fall within the definition of
23 the term ‘medicare-eligible military retiree or de-
24 pendent’ (as defined in subsection (a)).”.

25 (d) PAYMENTS.—

1 (1) PERMITTING PAYMENTS ON A FEE-FOR-
2 SERVICE BASIS.—Section 1896 of such Act is fur-
3 ther amended by adding at the end the following
4 new subsection:

5 “(l) PAYMENT ON A FEE-FOR-SERVICE BASIS.—In-
6 stead of the payment method described in subsection (i)(1)
7 and in the case of individuals who are not enrolled in the
8 program in the manner described in subsection (d)(1), the
9 Secretary may reimburse the Secretary of Defense for
10 services provided under the program at a rate that does
11 not exceed the rate of payment that would otherwise be
12 made under this title for such services if sections 1814(c)
13 and 1835(d), and paragraphs (2) and (3) of section
14 1862(a), did not apply.”.

15 (2) PAYMENTS TO MILITARY TREATMENT FA-
16 CILITIES.—Such section is further amended by add-
17 ing at the end the following new subsection:

18 “(m) PAYMENTS TO MILITARY TREATMENT FACILI-
19 TIES.—The Secretary of Defense shall reimburse military
20 treatment facilities for the provision of health care under
21 this section.”.

22 (3) CONFORMING AMENDMENTS.—Such section
23 is further amended—

1 (A) in subsections (b)(1)(B)(v) and
2 (b)(1)(B)(viii)(I), by inserting “or subsection
3 (l)” after “subsection (i)”;

4 (B) in subsection (b)(2), by adding at the
5 end the following: “If feasible, at least one of
6 the sites shall be conducted using the fee-for-
7 service reimbursement method described in sub-
8 section (l).”;

9 (C) in subsection (d)(1)(A), by inserting
10 “(insofar as it provides for the enrollment of in-
11 dividuals and payment on the basis described in
12 subsection (i))” before “shall meet”;

13 (D) in subsection (d)(1)(A), by inserting
14 “and the program (insofar as it provides for
15 payment for facility services on the basis de-
16 scribed in subsection (l)) shall meet all require-
17 ments for such facilities under this title” after
18 “medicare payments”;

19 (E) in subsection (d)(2), by inserting “, in-
20 sofar as it provides for the enrollment of indi-
21 viduals and payment on the basis described in
22 subsection (i),” before “shall comply”;

23 (F) in subsection (g)(1), by inserting “, in-
24 sofar as it provides for the enrollment of indi-
25 viduals and payment on the basis described in

1 subsection (i),” before “the Secretary of De-
2 fense”;

3 (G) in subsection (i)(1), by inserting “and
4 subsection (l)” after “of this subsection”; and

5 (H) in subsection (j)(2)(B)(ii), by inserting
6 “or subsection (l)” after “subsection (i)(1)”.

7 (3) EFFECTIVE DATE.—The amendments made
8 by this subsection take effect on January 1, 2001,
9 and apply to services furnished on or after such
10 date.

11 (e) ELIMINATION OF RESTRICTION ON ELIGI-
12 BILITY.—Section 1896(b)(1) of such Act is amended by
13 adding at the end the following new subparagraph:

14 “(C) ELIMINATION OF RESTRICTIVE POL-
15 ICY.—If the enrollment capacity in the program
16 has been reached at a particular site designated
17 under paragraph (2) and the Secretary there-
18 fore limits enrollment at the site to medicare-
19 eligible military retirees and dependents who
20 are enrolled in TRICARE Prime (as defined for
21 purposes of chapter 55 of title 10, United
22 States Code) at the site immediately before at-
23 taining 65 years of age, participation in the
24 program by a retiree or dependent at such site
25 shall not be restricted based on whether the re-

1 tiree or dependent has a civilian primary care
2 manager instead of a military primary care
3 manager.”.

4 (f) MEDIGAP PROTECTION FOR ENROLLEES.—Sec-
5 tion 1896 of such Act is further amended by adding at
6 the end the following new subsection:

7 “(m) MEDIGAP PROTECTION FOR ENROLLEES.—(1)
8 Subject to paragraph (2), effective January 1, 2001, the
9 provisions of section 1882(s)(3) (other than clauses (i)
10 through (iv) of subparagraph (B)) and 1882(s)(4) of the
11 Social Security Act shall apply to any enrollment (and ter-
12 mination of enrollment) in the program (for which pay-
13 ment is made on the basis described in subsection (i)) in
14 the same manner as they apply to enrollment (and termi-
15 nation of enrollment) with a Medicare+ Choice organiza-
16 tion in a Medicare+ Choice plan.

17 “(2) In applying paragraph (1)—

18 “(A) in the case of enrollments occurring before
19 January 1, 2001, any reference in clause (v)(III) or
20 (vi) of section 1882(s)(3)(B) of such Act to ‘within
21 the first 12 months of such enrollment’ or ‘by not
22 later than 12 months after the effective date of such
23 enrollment’ is deemed a reference to during calendar
24 year 2001; and

1 “(B) the notification required under section
2 1882(s)(3)(D) of such Act shall be provided in a
3 manner specified by the Secretary of Defense in con-
4 sultation with the Secretary of Health and Human
5 Services.”.

6 (g) IMPLEMENTATION OF UTILIZATION REVIEW
7 PROCEDURES.—Subsection (b) of such section is further
8 amended by adding at the end the following:

9 “(6) UTILIZATION REVIEW PROCEDURES.—The
10 Secretary of Defense shall develop and implement
11 procedures to review utilization of health care serv-
12 ices by medicare-eligible military retirees and de-
13 pendents under this section in order to enable the
14 Secretary of Defense to more effectively manage the
15 use of military medical treatment facilities by such
16 retirees and dependents.”.